

SECOND REGULAR SESSION

# HOUSE BILL NO. 2080

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE KEENEY.

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D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 144.025 and 144.027, RSMo, and to enact in lieu thereof two new sections relating to sales tax for trade-in or exchange transactions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 144.025 and 144.027, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 144.025 and 144.027, to read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsections 4 and 5 of this section, where any article on which sales or use tax has been paid, credited, or otherwise satisfied or which was exempted or excluded from sales or use tax is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the actual allowance made for the article traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article traded in or exchanged. Where the purchaser of a motor vehicle, trailer, boat, or outboard motor, **hereinafter referred to as a "unit"**, receives a rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased [article] **unit** there shall be no sales or use tax owed **and such excess trade-in or exchange allowance may be applied to any subsequent purchases of units made within one hundred eighty days of the trade-in**. This section shall also apply to [motor vehicles, trailers, boats, and outboard motors] **units** sold by the owner or holder of the properly assigned certificate

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **or certificates** of ownership if the seller purchases or contracts to purchase [a] subsequent  
19 [motor vehicle, trailer, boat, or outboard motor] **units** within one hundred eighty days before or  
20 after the date of the sale of the original [article] **units** and [a bill] **bills** of sale showing the paid  
21 sale price is presented to the department of revenue [at the time of licensing. A copy of the bill  
22 of sale shall be left with the licensing office]. **If the sale price of the original unit exceeds the**  
23 **purchase price of subsequent units, such excess shall only be applied to any subsequent**  
24 **units purchased within one hundred eighty days of the sale of the original unit.** Where the  
25 subsequent motor vehicle, trailer, boat, or outboard motor is titled more than one hundred eighty  
26 days after the sale of the original motor vehicle, trailer, boat, or outboard motor, the allowance  
27 pursuant to this section shall be made if the person titling such article establishes that the  
28 purchase or contract to purchase was finalized prior to the expiration of the one hundred  
29 eighty-day period.

30 2. As used in this section, the term "boat" includes all motorboats and vessels, as the  
31 terms "motorboat" and "vessel" are defined in section 306.010.

32 3. As used in this section, the term "motor vehicle" includes motor vehicles as defined  
33 in section 301.010, recreational vehicles as defined in section 700.010, or a combination of a  
34 truck as defined in section 301.010, and a trailer as defined in section 301.010.

35 4. The provisions of subsection 1 of this section shall not apply to retail sales of  
36 manufactured homes in which the purchaser receives a document known as the "Manufacturer's  
37 Statement of Origin" for purposes of obtaining a title to the manufactured home from the  
38 department of revenue of this state or from the appropriate agency or officer of any other state.

39 5. Any purchaser of a motor vehicle or trailer used for agricultural use by the purchaser  
40 shall be allowed to use as an allowance to offset the sales and use tax liability towards the  
41 purchase of the motor vehicle or trailer any grain or livestock produced or raised by the  
42 purchaser. The director of revenue may prescribe forms for compliance with this subsection.

144.027. 1. When a motor vehicle, trailer, boat, or outboard motor, **hereinafter**  
2 **referred to as a "unit"**, for which all sales or use tax has been paid is replaced due to theft or  
3 a casualty loss in excess of the value of the unit, the director shall permit the amount of the  
4 insurance proceeds plus any owner's deductible obligation, as certified by the insurance  
5 company, to be a credit against the purchase price of [another motor vehicle, trailer, boat or  
6 outboard motor which is] **subsequent units that are** purchased or [is] contracted to purchase  
7 within one hundred eighty days of the date of payment by the insurance company as a  
8 replacement [motor vehicle, trailer, boat or outboard motor] **unit. Where the credit exceeds**  
9 **the purchase price of subsequent units, there shall be no sales or use tax owed and such**  
10 **excess credit may be applied to any subsequent units purchased within one hundred eighty**  
11 **days of the date of payment by the insurance company as a replacement unit.** As used in

12 this section, the term "boat" includes all motorboats and vessels, as the terms "motorboat" and  
13 "vessel" are defined in section 306.010.

14         2. If the owner of a [motor vehicle, trailer, boat or outboard motor] **unit** as described in  
15 subsection 1 of this section does not have insurance coverage for the [motor vehicle, trailer, boat  
16 or outboard motor] **unit**, the director shall permit the fair market value of the [motor vehicle,  
17 trailer, boat or outboard motor] **unit** as determined by the Kelly Blue Book, NADA Used Car  
18 Guide, Abos Blue Book or the average of two appraisals from licensed motor vehicle or boat  
19 dealers to be a credit against the purchase price of a replacement [motor vehicle, trailer, boat or  
20 outboard motor] **unit** which is purchased or is contracted to purchase within one hundred eighty  
21 days of the date of such loss as certified by a law enforcement agency or such other evidence as  
22 the director may require as proof of the date of loss of the [motor vehicle, trailer, boat or  
23 outboard motor] **unit**.

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